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HIGH COMMISSIONER'S PROGRAMME

Fifty-second session

REPORT OF THE TWENTY-SECOND MEETING OF THE STANDING COMMITTEE
(26 September 2001)

I. INTRODUCTION

1. The meeting was opened by the Chairman of the Executive Committee, His Excellency, Ambassador Ali Khorram (Islamic Republic of Iran), who informed the Committee that requests for observer status had been received from the Governments of the Czech Republic, Djibouti, Gabon, Monaco and the Republic of Moldova. In accordance with the decision taken by the Executive Committee at its fifty-first session on observer participation (A/AC.96/944, para.31(b)), the Standing Committee agreed to these requests. The Chairman then asked for a minute of silence in memory of those who lost their lives in the tragic incidents which took place in the United States on 11 September. The Chairman next recalled the brutal murders of four UNHCR staff members in Indonesia and Guinea one year previously. The Secretary invited delegations to participate in a remembrance for these colleagues, for which arrangements had been made by UNHCR's management and the Staff Council.

II. ADOPTION OF THE AGENDA OF THE TWENTY-SECOND MEETING

2. The Chairman announced that an update on UNHCR's contingency plans within the context of the Afghanistan emergency, as well as a proposal he had received concerning seating of the European Commission would be presented under any other business (agenda item 6).

3. The agenda for the meeting (EC/51/SC/CRP.22) was adopted.

III. ADOPTION OF THE DRAFT REPORT OF THE TWENTY-FIRST MEETING

4. The Chairman presented for adoption the draft report of the Standing Committee's twenty-first meeting held on 25-27 June 2001 (EC/51/SC/CRP.21). One delegation proposed amendments to paras. 55, 66 and 69. Another delegation sought clarification as to the process of drafting the reports of the Standing Committee. The Secretary described the process in some detail. The draft report was adopted with these amendments.

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IV. PROGRAMME AND FUNDING

A. Update on programme and funding

5. Introducing the latest update on programme and funding projections for 2001 (EC/51/SC/CRP.23), the Director of the Division of Communication and Information (DCI) focused on developments in the first three quarters of 2001, challenges for the remaining quarter of the year and funding the 2002 budget. He expressed gratitude for the continued commitment of donors and host governments. Within the framework of Actions 1, 2 and 3, UNHCR had sought to strengthen the strategic position and management of resources in order to maintain financial health and stability. This had included developing a closer dialogue with stakeholders in defining strategies, priorities and planning in an effort to broaden the donor base and renew synergy in partnerships.

6. He acknowledged that early and substantial pledges and broader earmarking of funds on the part of some donors had permitted programme implementation to continue without interruption for the first nine months of the year. However, he drew attention to a projected shortfall of $53.4 million in the final quarter of the year that would need to be carefully managed. In particular, he urged strongly that funds foreseen in 2001 for UNHCR's programmed activities should not be diverted to new emergencies. Flexibility in donors' allocations, leaving a larger share of the resources un-earmarked, would allow the Office to redirect some of the existing funds and maintain the activities approved by the Executive Committee in October 2000.

7. Several delegations expressed awareness of the limitations and constraints that had faced UNHCR in 2001 and gave credit to the efforts made to overcome them. One delegation drew attention to the adverse effects of the budget cuts, notably with respect to health, education, sanitation and transportation facilities. One delegation queried whether there had been any progress with respect to earmarking of funds. Another delegation expressed concern as to how UNHCR would manage the anticipated shortfall in 2001 and how needs would be prioritized. Some delegations were also interested to know of the outlook for funding in 2002.

8. In response to these various observations and enquiries, the Director of DCI reiterated the primary importance of receiving funding commitments as early as possible. Other action envisaged included reviewing priorities with the Bureaux - without hasty cuts and changes which might risk disruption to operations; looking at the possibility of using the Working Capital and Guarantee Fund to bridge the gap between the announcement of intended contributions and formal commitment. In addressing the question of funding the 2002 budget, the Director of DCI reminded the Standing Committee of the High Commissioner's request for early, soft commitments, to be then translated into firm pledges at the Pledging Conference in Geneva in December. This would help establish a stronger, more stable link between the approval of the budget by the Executive Committee and the pledging of resources against that budget.

B. Mid-Year Progress Report

9. The Director of DCI then presented the 2001 Mid-Year Progress Report. He pointed out that this report reflected activities carried out in the first part of the year on the basis of a possible 20 per cent budget cut. This was immediately followed by Action 1 and 2. The impact of Action 2, which had been finalized in June, would be included in the Global Report for 2001. He also drew attention to some new features, notably the inclusion in tabular form of an assessment of progress measured against selected indicators.

10. Several delegations commended UNHCR on the continuing improvement of the format and contents of this report and acknowledged that it was a useful mid-year tool for helping donors to reach funding decisions. The tabular presentation of performance indicators and progress achieved was a further step towards results-based budgeting and reporting, and UNHCR was encouraged to pursue this line of reporting to include some indicators common to all programmes. It was noted that more consistent highlighting of the consequences of under-funding would also be helpful.

11. Some delegations regretted that its issue (in mid-September) had left little time for adequte examination of its contents. A number of delegations also commented on or posed questions on specific information contained in the chapter concerning programmes in their country.

12. The Director of DCI regretted that, in order to provide relevant, updated data, it was not possible to make the Mid-Year Progress Report available before the first week in September at the earliest. He also announced that follow-up discussions in response to individual enquiries would take place between the Donor Relations and Resource Mobilization Service (DRRM) and the delegations concerned.

C. 2002 Annual Programme Budget

13. The Deputy High Commissioner (DHC) introduced the *UNHCR Annual Programme Budget for 2002* (A/AC.96/950), and drew attention to the ACABQ's observations contained in the addendum to this document, the *Report of the Advisory Committee on Administrative and Budgetary Questions* (A/AC.96/950/Add.1). The ACABQ had noted significant progress in its structure, but recommended greater conciseness. The DHC noted that UNHCR had taken into account the request of the ACABQ to maintain the basic format of the current document and consolidate the gains already made in the move to the unified budget. Further details on the country programmes were available on UNHCR's website.

14. The DHC underlined the importance that the High Commissioner attached to the approval of the budget for 2002; this should be a meaningful commitment to the full resourcing of the budget set at a realistic level. The budget struck a pragmatic balance between basic needs and likely resources. The support of the Executive Committee in advocating strongly that UNHCR should receive its fair, envisaged share of the UN Regular Budget was also sought, so that funds raised for refugees from voluntary contributions would not have to cover administrative costs of the organization. UNHCR was not asking that the known position of many governments on zero growth in the level of the Regular Budget be changed; rather, it was asking for a re-

prioritization within the UN Regular Budget level to allow the Office its envisaged share. Governments needed to speak with one voice on this issue, both in Geneva and at the Fifth Committee in New York.

15. With reference to the Audit Report to be discussed under agenda item 5, the DHC stated that UNHCR took the audit observations very seriously, as reflected in the proposed follow-up actions set out in document A/AC.96/949/Add.1. The High Commissioner was committed to improving UNHCR's performance, including through the establishment of an overall system to manage quality performance. This would ensure that, in a spirit of partnership, donor resources were used effectively.

16. While welcoming the improved presentation and more realistic approach to the 2002 budget document, a number of delegations also encouraged more focus on strategic planning and expected results. They recommended the holding of more preparatory regional workshops, such as those organized in the past year in Thailand and Zambia, which they had found particularly useful.

17. Some delegations commended UNHCR's efforts to re-prioritize its operations into core and non-core activities in line with expected funding levels, and noted that further efforts to prioritize among core activities and across regions were also necessary. Placing emphasis on activities in Africa, and certain thematic areas such as refugee women, children and protection was also underlined as important. Two delegations queried whether the reference to internally displaced persons in the budget document represented a change to UNHCR's policy on IDPs.

18. A number of delegations expressed their support for re-prioritization within the UN regular budget to give UNHCR a greater share, while maintaining their position regarding zero growth. Many delegations also announced their government's anticipated or "soft" contributions towards the 2002 budget.

19. The DHC thanked delegations for their response to the High Commissioner's request for early contributions to UNHCR's budget. She acknowledged requests for more timely submission of the budget document to delegations and indicated that greater efforts would be made to get this out earlier in future. She noted that UNHCR was working on results-based management in its operations, and the challenge was to reflect this better in the budget document. The DHC stated that UNHCR's policy on IDPs had not changed, and that the explanation on this topic in the budget document was designed to complement the policy and not alter it. She also confirmed that UNHCR planned to hold two further strategic planning workshops with donors in two of its operations during the course of the year.

V. COORDINATION

20. This item, together with item 5 were chaired by the Vice-Chairman of the Executive Committee, His Excellency, Ambassador Johan Molander (Sweden).

21. In a statement to the Committee, the Director of the External Relations Department at the International Organization for Migration (IOM) commented on the unique nature of UNHCR and IOM's relationship from the time of their

first emergency partnership work during the 1956 Hungarian outflow, through the Comprehensive Plan of Action for Indochinese Refugees, the Gulf crisis and many other more recent operations. He described how the emerging asylum-migration nexus provided more opportunities and incentives to look jointly for solutions, and encouraged all actors involved to find appropriate ways of coordinating inputs through the inter-agency frameworks for humanitarian coordination.

22. The Head a.i. of Secretariat and Inter-Organization Service (SIOS) presented an update on coordination issues (EC/51/SC/INF.4). She drew attention to the High Commissioner's emphasis on the growing need to link issues of refugees to development, and the progress made at the High-Level Committee on Management's Task Force on Security concerning arrangements for sharing the costs of the enhanced UN security system. She highlighted a number of areas where progress was being made both in strengthening the coordination of humanitarian emergency assistance among the United Nations agencies, and also in UNHCR's bilateral relations with other governmental and non-governmental partner organizations.

23. Several delegations commented on the usefulness of such updates and looked forward to their continuation. One delegation strongly encouraged an early completion of the first draft of the Memorandum of Understanding between UNHCR and WFP, since this was needed by all concerned as soon as possible.

VI. MANAGEMENT, FINANCE, OVERSIGHT AND HUMAN RESOURCES

24. The new Controller and Director of the Division of Resource Management (DRM) first introduced the document *Voluntary Funds Administered by the United Nations High Commissioner: Accounts for the year 2000* (A/AC.96/948), drawing particular attention to Statement 1 (p.18) of these accounts, which showed the decrease in total expenditure from $1.02 billion in 1999 to $783 million in 2000. This had been due partly to the Kosovo crisis in 1999, but also to the reduction in funding which had caused considerable constraints, and had prompted the prioritization process of Actions 1, 2 and 3 in 2001.

25. She then presented the *Report of the Board of Auditors to the General Assembly on the Accounts of the Voluntary Funds Administered by UNHCR for the period ended December 2000* (A/AC.96/949), noting that, for the first time in UNHCR's history, the Board had given a qualified opinion on UNHCR's accounts. She drew attention to UNHCR's response to this report, as contained in the document *Measures taken or proposed in response to the recommendations in the report of the board of auditors* (A/AC.96/949/Add.1).

26. She emphasized that the uncertainty expressed by the auditors concerned implementing partners' expenditure amounting to some $43 million for which reports had not been made available, but did not suggest anything irregular about this expenditure. It was rather a question of unacceptably long delays between the expenditure and the receipt of adequate reporting from the implementing partner in the field, and UNHCR was actively engaged in addressing this shortcoming. This issue would be included as a specific measurement of management performance in the objectives and appraisals of senior managers, and additional guidelines and training would be introduced

for field staff to ensure that they were aware of their responsibilities in this regard.

27. The auditors had also requested UNHCR to review the appropriateness of engaging in projects which were not of direct assistance to refugees, a review of which the High Commissioner had initiated at the beginning of the year under Action 1. Better definitions for core and non-core categories had been established and priorities determined on that basis. She also drew attention to recommendations of the Board of Auditors related to the Integrated Systems Project and explained that this Project had been suspended pending a review of its overall design and compatibility with a Corporate Operating Model, would be taken into account for any future activities in that area.

28. In closing, the Controller observed that although there had been progress in some areas of response to the auditors' recommendations, others still required attention and underlined UNHCR's intention to make a concerted effort to address these for the year 2001.

29. It was suggested by one delegation that the information on Extra-Budgetary in Kind Donations to UNHCR, contained in document A/AC.96/948, should in future be included in UNHCR's annual report.

VII. ANY OTHER BUSINESS

30. At the invitation of the Chairman, the Director of CASWANAME briefed the Standing Committee on UNHCR's contingency plan for a potentially huge exodus of Afghans to neighbouring countries. He explained that the plan had a regional perspective and covered an initial six-month emergency programme. An appeal, based on worst-case scenario projections, was being launched to cover anticipated funding needs of $268 million for a six-month period, and it was estimated that up to 700 international and national staff would be deployed to bolster the staff presently in the region. The Director of CASWANAME pointed out that UNHCR's capacity to respond to this emergency may face serious constraints in terms of human and material resources, should the worst occur. He underlined that the international support of governments would be crucial for all concerned.

31. Several delegations expressed their concern as to how UNHCR could mobilize such a large volume of resources and staff without prejudicing other operations. One delegation also enquired whether there was any duplication with the Afghan Support Group meeting in Berlin on 27 September 2001.

32. Responding to these enquiries, the Director of CASWANAME explained that emergency roster staff were being mobilized and that staff currently without a posting or between assignments were being contacted to ascertain their availability. Appeals for material and logistical support, including airlifting of supplies to Pakistan by donors were being made. It was hoped that the meeting in Berlin would feed into the Forum on Afghan Refugee and Displaced persons, scheduled in Geneva on 5 and 6 October 2001. This meeting, to be co-chaired by the High Commissioner and by the United Nations Emergency Relief Coordinator, aimed to help address some of the questions and concerns from the political and strategic perspectives. The Chairman then

shared information with respect to the current crisis as it pertained to his country.

33. Also under this agenda item, the Chairman shared with the Committee a letter he had received from the Ambassador of Belgium, currently holding the Presidency of the European Union. This letter is contained in Annex.

34. One delegation observed that, while not opposed in principle to the proposal contained in this letter, more time was needed to consider the request and to weigh its possible implications. It was agreed that delegations wishing to state their position should make this known to the Chairman in the course of the week. The EU presidency indicated availability to provide clarifications as required.

35. The Secretary then provided practical details of arrangements for the forthcoming session of the Executive Committee, from 1 to 5 October 2001.

36. There being no other business, the Chairman declared the meeting closed.

EU Presidency Voorzitterschap Vorsitz Presidence UE

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Mission de Belgique à Genève
L'Ambassadeur

Geneva, 24 September 2001

JMN/nb

Sir,

I should like to submit for your consideration, as Chairman of the Executive Committee of the Programme of the UN High Commissioner for Refugees, the question of the European Commission's seating at the meetings of the Committee and of the Standing Committee.

The European Commission attaches high importance to matters of international protection, given the progressive transfer of responsibility to it for asylum issues and rights of third country nationals. The entry into force in May 1999 of the Amsterdam Treaty marked the beginning of a transitional period of such transfer of competence, which is of direct relevance to the work of UNHCR. Additionally, the EC is one of UNHCR's top donors and has a direct interest in its operational programmes for refugees.

I would thus like to suggest that, for reasons of cohesiveness, the European Commission be seated next to the Presidency of the European Union, currently Belgium, at the meetings of the Standing Committee and of the Executive Committee. I would be grateful for your concurrence to this request.

Accept, Sir, the assurances of my highest consideration.

Jean-Marie NOIRFALISSE

H.E Ambassador A. KHORRAM
Permanent Representative of the Islamic Republic of Iran
Chairman of the Executive Committee
Of the High Commissioner's Programme
Geneva

58, Rue de Moillebeau
CH-1211 Genève 19
☎ +41/22/730 48 00
🖷 +41/22/734 50 79
mission.belgium@ties.itu.int